

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Carrier Oversight and Programs Branch**

**RESOLUTION T-17520  
August 18, 2016**

**R E S O L U T I O N**

**RESOLUTION T-17520. Approval of Nexus Communications, Inc.'s  
(U-4387-C) Request for Discontinuation of its Service Plans under the  
California LifeLine Program and for Relinquishment of its Eligible  
Telecommunications Carrier Designation in California**

**Summary**

By this Resolution, the California Public Utilities Commission (CPUC or Commission) grants the request of Nexus Communications, Inc. (U-4387-C) (Nexus), doing business as *Reachout Wireless*, to discontinue or withdraw its wireless telephone service plans under the California LifeLine Program. Moreover, the CPUC grants Nexus' request to relinquish its Eligible Telecommunications Carrier (ETC) designation in California. Nexus' request complies with the ETC relinquishment requirements of 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205 (a) and (b). The CPUC finds that both of these requests are reasonable and should be granted.

**Background**

On March 20, 2009, the Commission granted Nexus a Wireless Identification Registration (WIR) number (U-4387-C) allowing it to provide facilities-based wireless intrastate telecommunications service in California. The Commission granted Nexus' ETC designation in Resolution T-17258 (May 5, 2011) within the service areas of Pacific Bell Telephone Company and Verizon California, Inc. (now known as Frontier California, Inc.). The Commission approved Nexus as a California LifeLine provider in Advice Letter (AL) 10 on October 10, 2014.

**Subject of Advice Letter**

On April 14, 2016, Nexus filed Tier 3 AL 15 requesting relinquishment of its ETC designation in California pursuant to 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205. Nexus stated it will provide at least one text message to customers as the service discontinuation notice no later than thirty days before service disconnection.

## Notice/Protests

In compliance with the General Order 96-B, the Commission's Daily Calendar posted this advice letter on April 15, 2016. No protest was filed.

## Discussion

Nexus submitted AL 15 pursuant to 47 U.S.C. § 214(e)(4)<sup>1</sup> and 47 C.F.R § 54.205 (a) and (b)<sup>2</sup>.

In order for an ETC to relinquish its designation, it must satisfy the following requirements:

- a) the service area must be served by another ETC;
- b) the ETC must provide advance notice to the State commission of its request;
- c) the ETC must ensure that all the customers it serves in the relevant service area will continue to be served by another ETC/s; and,
- d) if applicable, the ETC must provide sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETCs.<sup>3</sup>

- a. Other ETCs serve in Nexus' service area

Nexus provides federal Lifeline and California LifeLine wireless telephone services in California where its underlying carriers have network facilities and there are other ETC

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<sup>1</sup> 47 U.S.C. §214(e)(4) states as follows:

A State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall establish a time, not to exceed one year after the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

<sup>2</sup> 47 C.F.R. §54.205 has the same requirements as 47 U.S.C. §214(e)(4).

<sup>3</sup> 47 U.S.C. §214(e)(4); *See also* 47 C.F.R. §54.205(a) and (b).

wireless providers currently serving in and around Nexus' designated service area. Nexus stated that two incumbent local exchange carriers currently hold ETC designations and provide federal Lifeline and California LifeLine services to eligible low-income households and listed five (5) California LifeLine wireless telephone service providers currently serving eligible low-income households within its approved service area using, at least in part, the network of one of its underlying carriers, Verizon Wireless.<sup>4</sup>

- b. The CPUC received advance notice from Nexus

Nexus filed AL 15 with its requests to rescind its federal ETC designation and to withdraw its California LifeLine wireless telephone service plans. Nexus continues to provide service to its customers pending Commission approval of this Resolution.

- c. Other ETCs and California LifeLine providers can provide discounted telephone services to eligible low-income households

California LifeLine participants currently served by Nexus can continue to receive federal and state-supported services through one or more ETCs and California LifeLine providers of their choosing.

- d. Providing notice to permit the purchase or construction of adequate facilities by any remaining ETCs does not apply to Nexus.

Nexus states that no purchase or construction of facilities by other carriers will be necessary because the remaining ETCs in its service areas are fully operational and no further purchase or construction is needed.<sup>5</sup>

**Nexus requests a waiver from mailing the customer notification:**

Nexus proposes to mitigate the impact of the withdrawal of service for its California LifeLine participants by ensuring that they receive ample notice of its withdrawal of service via text message.<sup>6</sup> However, Nexus requests a waiver from sending notices via U.S. mail to California LifeLine participants because its experience with postal mailings has been unsuccessful to informing all customers. Nexus contends that mailing notifications are "typically ineffective and extremely inefficient" because consumers of discounted wireless telephone services "often change addresses without informing their

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<sup>4</sup> Nexus AL No. 15 at p. 2-3: Budget Prepay, Inc., Tracfone Wireless, AmeriMex Communications, Corporation, TAG Mobile, LLC, and Boomerang Wireless, LLC currently serve in and around Nexus' service area.

<sup>5</sup> Nexus AL No. 15 at p. 2.

<sup>6</sup> Nexus AL No. 15 at p. 1.

LifeLine providers (unlike wireline customers).”<sup>7</sup> Therefore, Nexus proposes sending its California LifeLine participants an electronic text message as its 30-day notice of discontinuation as a wireless carrier and informing them to choose a new carrier within their local area to ensure continuation of service before the disconnection occurs.

General Order (GO) 96-B states that written notice as bill inserts, mailed notices, and e-mail satisfy the notice requirement<sup>8</sup> but does not explicitly state that carriers may use electronic text messaging. GO 153 requires any California LifeLine provider seeking to withdraw California LifeLine services to provide California LifeLine participants with a 30-day notice.<sup>9</sup>

Consistent with GO 153 Communications Division (CD) staff believes it is imperative for California LifeLine participants to receive notice that Nexus will cease offering California LifeLine services so that consumers have sufficient time to choose an alternative California LifeLine provider. Nexus stated it normally sends electronic text messages to its customers who, therefore, are familiar with of the practice of receiving important service notifications in text. CD believes that Nexus’ dissemination of electronic text messages, in addition to publically posting information about the withdrawal of California LifeLine services on the company’s website, are acceptable notification methods.

CD staff also recommends that Nexus provide for CD staff review and approval the final draft 30-day notice language it proposes to use for its text message and website posting, which would include information to California LifeLine participants about switching to another service carrier of their choice within their service area.

Until the Commission approves Nexus’ requests to withdraw its California LifeLine services and to relinquish its ETC designation, Nexus should be required to continue to provide its existing federal Lifeline and California LifeLine participants with the approved discounted services. The effective date for Nexus’ withdrawal of California LifeLine services and relinquishment of its ETC designation should be no sooner than 30 days after the approval of this Resolution, provided that customers receive their 30-day notice.

In preparing to relinquish its ETC designation, beginning in April 2016, Nexus ceased both marketing and accepting new consumer requests for California LifeLine services, Nexus filed AL 15 on April 14, 2016. Further, Nexus posted on its public website a

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<sup>7</sup> *Id.*

<sup>8</sup> Telco Industry Rule § 3.2

<sup>9</sup> GO 153 § 4.7.3.

preliminary announcement that it intends to cease being an ETC and California LifeLine provider.

**Safety Considerations:**

CD has identified no safety concerns with Nexus' request because low-income households in Nexus' designated service area can continue to receive wireline and wireless telephone service from alternate providers including ETCs and California LifeLine providers.

**Conclusion and Recommendations:**

CD staff finds that Nexus has satisfied all of the federal requirements of 47 U.S.C. §214(e) (4) and 47 C.F.R §54.205 (a) and (b). Its request to relinquish its federal ETC designation and to withdraw its California LifeLine wireless telephone service plans should be granted. CD staff will review and approve Nexus' customer notices. Nexus' withdrawal of California LifeLine services and relinquishment of its ETC designation will be no sooner than 30 days after the approval of this Resolution, provided that customers receive their 30-day notice

Nexus must notify the Universal Service Administrative Company (USAC) that this Commission granted its request to relinquish its federal Eligible Telecommunications Carrier designation in California. Nexus must provide a copy of USAC's confirmation of receipt of this Resolution to the Commission's Communications Division Director.

**Comments**

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on July 19, 2016, informing all parties on the ETC service list and the California LifeLine Program's proceeding service list of the availability of this Resolution for public comments at the Commission's website [www.cpuc.ca.gov](http://www.cpuc.ca.gov). The notice letter also informed parties that the final conformed resolution adopted by the Commission will be posted and available at this same website.

Nexus submitted comments on August 2, 2016, suggesting the removal of the customer notification requirement about the impending service change because it no longer has customers in California. Communications Division staff has record to show that Nexus has approximately 500 active California LifeLine customers and, therefore, staff does not recommend removing the customer notification requirement. Nexus must complete the 30-day customer notification as required in this Resolution.

## FINDINGS AND CONCLUSIONS

1. Nexus Communications, Inc., doing business as *Reachout Wireless*, received its commercial mobile radio service carrier authority U-4387-C on March 20, 2009.
2. The Commission granted Nexus Communications, Inc. its federal Eligible Telecommunications Carrier designation in Resolution T-17258 (May 5, 2011) to provide federal Lifeline wireless service in the service areas of Pacific Bell Telephone Company and Verizon California, Inc. (now known as Frontier California, Inc.).
3. Nexus Communications, Inc. received authority as a California LifeLine service provider in Advice Letter 10 on October 10, 2014.
4. On April 14, 2016, Nexus Communications, Inc. filed Advice Letter 15 to request approval to relinquish its federal Eligible Telecommunications Carrier designation in California pursuant to 47 U.S.C. § 214(e)(4) and 47 C.F.R. §54.205 and to discontinue its wireless telephone service plans in California under the federal Lifeline and California LifeLine Programs.
5. Nexus Communications, Inc. requested a waiver to use electronic text messaging instead of U.S. mail for its 30-day customer notification.
6. General Order 96-B states that written notice as bill inserts, mailed notices and e-mail satisfy the notice requirement.
7. Nexus Communications, Inc.'s waiver request is granted and it may use electronic text messaging to give notice to its California LifeLine participants of the withdrawal of its California LifeLine services because customers are familiar with the practice of receiving important notifications in text.
8. Nexus Communications, Inc. will submit for Communications Division staff review and approval the final draft 30-day notice language to notify California LifeLine participants by electronic text messaging and website posting, which includes information about switching to another service carrier of their choice with their service area.
9. The effective date for Nexus Communications, Inc.'s withdrawal of California LifeLine services and relinquishment of its ETC designation shall be no sooner than 30 days after the approval of this Resolution, provided that customers receive 30-day notice.

10. Communications Division identified no safety concerns regarding Nexus Communications, Inc.'s request because other ETCs and California LifeLine providers offer discounted telephone services in the affected service area.
11. Nexus Communications, Inc. satisfies Eligible Telecommunications Carrier relinquishment requirements of 47 U.S.C. §214(e) (4) and 47 C.F.R §54.205 (a) and (b).
12. Nexus Communications, Inc.'s request to relinquish its Eligible Telecommunications Carrier designation and to discontinue offering its California LifeLine wireless telephone service plans should be granted.
13. Nexus Communications, Inc. must notify the Universal Service Administrative Company that this Commission granted the request to relinquish Eligible Telecommunications Carrier designation in California. Nexus Communications, Inc. must provide a copy of USAC's confirmation of receipt of this Resolution to the Commission's Communications Division Director.
14. On July 19, 2016, the Commission e-mailed a draft of this resolution to the Eligible Telecommunications Carrier service list and the California LifeLine Program's proceeding service list for public comments.
15. On August 2, 2016, Nexus submitted comments suggesting the removal of the customer notification requirement. Records show Nexus Communications, Inc. has approximately 500 active California LifeLine customers. Communications Division recommends that Nexus Communications, Inc. complete its 30-day customer notification.

**THEREFORE, IT IS ORDERED** that:

1. The Commission grants Nexus Communications, Inc.'s, doing business as *Reachout Wireless*, (U-4387-C) requests to relinquish its Eligible Telecommunications Carrier designation and to withdraw its California LifeLine wireless telephone service plans.
2. Nexus Communications, Inc. shall provide its California LifeLine participants with a 30-day notice that it will no longer offer California LifeLine wireless telephone services via electronic text messaging and on its website.
3. The effective date of Nexus Communications, Inc.'s withdrawal of California LifeLine wireless telephone service plans and relinquishment of its ETC

designation shall be effective no sooner than 30 days after the approval of this Resolution, provided that customers receive their 30-day notice.

4. Nexus Communications, Inc. shall notify the Universal Service Administrative Company that the Commission granted the request to relinquish Eligible Telecommunications Carrier designation in California. Nexus Communications, Inc. shall provide a copy of USAC's confirmation of receipt of this Resolution to the Commission's Communications Division Director.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on August 18, 2016, the following Commissioners voting favorably thereon:

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Timothy J. Sullivan  
Executive Director



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Document 2 ID	file:///D:/PS3/My Documents/Resolutions/T-17520/T-17520 Res-A (Rev.1) Nexus Comms ETC-CALL 2016-08-18 mtg.doc
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